

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Milford Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: December 2, 2021

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on October 1 of each fiscal year. The schedule is effective in FY22 (since the amount under the prior schedule was maintained in FY22) and is acceptable under Chapter 32.

The revised schedule reflects a slight revision to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Enc.



**Milford Retirement System**  
**January 1, 2021 Actuarial Valuation**

Total Cost Increasing 7.0% per year until FY34 with final amortization payment in FY35

| <u>Fiscal</u><br><u>Year</u> | <u>Normal</u><br><u>Cost</u> | <u>Net</u><br><u>3(8)(c)</u> | <u>Amort. of</u><br><u>UAL</u> | <u>Amort. of</u><br><u>2002 ERI</u> | <u>Amort. of</u><br><u>2003 ERI</u> | <u>Total</u><br><u>Cost</u> | <u>Unfunded</u><br><u>Act. Liab.</u> | <u>% Increase</u><br><u>Total Cost</u> |
|------------------------------|------------------------------|------------------------------|--------------------------------|-------------------------------------|-------------------------------------|-----------------------------|--------------------------------------|--|
| 2022                         | 2,288,545                    | 100,000                      | 3,775,446                      | 241,359                             | 31,850                              | 6,437,200                   | 59,308,119                           |  |
| 2023                         | 2,391,530                    | 100,000                      | 4,110,771                      | 252,220                             | 33,283                              | 6,887,804                   | 59,340,419                           | 7.0%                                   |
| 2024                         | 2,499,149                    | 100,000                      | 4,472,451                      | 263,570                             | 34,781                              | 7,369,950                   | 59,008,647                           | 7.0%                                   |
| 2025                         | 2,611,610                    | 100,000                      | 4,862,460                      | 275,431                             | 36,346                              | 7,885,847                   | 58,258,046                           | 7.0%                                   |
| 2026                         | 2,729,133                    | 100,000                      | 5,282,917                      | 287,825                             | 37,982                              | 8,437,856                   | 57,027,781                           | 7.0%                                   |
| 2027                         | 2,851,944                    | 100,000                      | 5,736,094                      | 300,777                             | 39,691                              | 9,028,506                   | 55,250,345                           | 7.0%                                   |
| 2028                         | 2,980,281                    | 100,000                      | 6,224,431                      | 314,312                             | 41,477                              | 9,660,501                   | 52,850,913                           | 7.0%                                   |
| 2029                         | 3,114,394                    | 100,000                      | 7,122,343                      |                                     |                                     | 10,336,737                  | 49,746,635                           | 7.0%                                   |
| 2030                         | 3,254,542                    | 100,000                      | 7,705,767                      |                                     |                                     | 11,060,308                  | 45,845,865                           | 7.0%                                   |
| 2031                         | 3,400,996                    | 100,000                      | 8,333,534                      |                                     |                                     | 11,834,530                  | 41,047,323                           | 7.0%                                   |
| 2032                         | 3,554,041                    | 100,000                      | 9,008,906                      |                                     |                                     | 12,662,947                  | 35,239,181                           | 7.0%                                   |
| 2033                         | 3,713,973                    | 100,000                      | 9,735,380                      |                                     |                                     | 13,549,353                  | 28,298,064                           | 7.0%                                   |
| 2034                         | 3,881,101                    | 100,000                      | 10,516,706                     |                                     |                                     | 14,497,808                  | 20,087,965                           | 7.0%                                   |
| 2035                         | 4,055,751                    | 100,000                      | 10,642,006                     |                                     |                                     | 14,797,756                  | 10,459,067                           | 2.1%                                   |
| 2036                         | 4,238,260                    | 100,000                      |                                |                                     |                                     | 4,338,260                   | 0                                    | -70.7%                                 |

FY22 appropriation maintained from current schedule.

Normal Cost includes expenses of \$550,000 and is assumed to increase 4.5% each year

Appropriation payments assumed to be made October 1 of each fiscal year